

Message Text

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ACTION STR-04

INFO OCT-01 ISO-00 STRE-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

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R 301530Z APR 76 ZFD

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1469

INFO AMEMBASSY BANGKOK

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 3321

ACTION STR

H PASS CODEL

E.O. 11652: NA

TAGS: ETRD MTN

SUBJ: TROPICAL PRODUCTS CONSULTATION-THAILAND

1. SUMMARY: US DEL MET WITH THAI MTN DELEGATION (SNIDVONGS, AND KANNAWAT) AND BANGKOK OFFICIALS (INGANINANDA, DIRECTOR TRADE POLICY DIVISION, AND KITTISAPORN OF DEPARTMENT OF BUSINESS ECONOMICS). CONSULTATION WAS FOR THE PURPOSE OF ELABORATING ON U.S. MARCH 1 OFFER TO NEGOTIATE MFN TARIFF CONCESSIONS IN TP GROUP AND TO PROVIDE THAI DELEGATION WITH US PROPOSALS FOR SPECIFIC CONTRIBUTIONS THAT THAILAND COULD MAKE TO THE TROPICAL PRODUCTS NEGOTIATION. U.S. DEL NOTED THAT THE U.S., IN TAKING INTO ACCOUNT PARA 5 OF THE TOKYO DECLARATION, HAD NOT SOUGHT FULL RECIPROCITY FROM THAILAND. THAI REACTION TO U.S. OFFER WAS TO
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EXPRESS DISAPPOINTMENT AT THE EXCLUSION OF CERTAIN

PRODUCTS FROM OFFER WHILE EXPRESSING GENERAL SATISFACTION WITH U.S. OFFER. PRESENTATION OF US PROPOSAL FOR CONTRIBUTIONS PRODUCED MIXED REACTION, THAI GENEVA DEL PRESENTING USUAL LDC POSITION THAT SPECIAL AND PRIORITY MEANT NON-RECIPROCITY, BUT BANGKOK OFFICIALS NOTING INTENTION TO DO THEIR BEST TO RESPOND TO US REQUESTS FOR THAI CONTRIBUTIONS. END SUMMARY

2. ELABORATION OF THE US TROPICAL PRODUCTS OFFER
US DE (GRAEF, ET AL) STATED THAT US OFFER HAD RESPONDED TO NEARLY 40 PERCENT OF THAI REQUESTS ON AN MFN BASIS AND THAT, CONSIDERING GSP TREATMENT ON ANOTHER 18 PRODUCTS ON THAI REQUEST LIST, NEARLY 70 PERCENT OF THAI REQUEST LIST HAD BEEN RESPONDED TO. US STATED THE TRADE VALUE OF ITS OFFER TO THAILAND WAS \$5.7 MILLION BASED ON 1974 TRADE STATISTICS AND EXPRESSED A DESIRE THAT THE TWO DELEGATIONS AGREE ON THE TRADE VALUE OF THE OFFER TO THAILAND DURING THE NEGOTIATIONS. IN RESPONSE TO A QUESTION WE INDICATED INTENTION TO GRANT CONCESSIONS BUT THAT BINDING WAS RELATED TO IMPLEMENTATION, A QUESTION IN WHICH WE HAD NOT POSITION AT THE BEGINNING OF A NEGOTIATION. US DEL ALSO OBSERVED THAT WE REQUESTING BOUND MFN CONCESSIONS WHICH RAISED THE QUESTION OF THAI ACCESSION TO GATT. THAI GENEVA DEL NOTED THAT THIS DEPENDENT ON RESULTS OF MTN, BUT BANGKOK OFFICIALS CLEARLY MORE POSITIVE ON GATT ACCESSION. IN THIS CONNECTION MTN DEL NOTED THAT MAXIMUM AUTHORITY APPLIED TO TWO ITEMS OF TRADE INTEREST TO THAILAND(TSUS 155.40 AND TSUS 165.55) WOULD RESULT IN DUTY FREE TREATMENT, AND BINDING WOULD BE DIFFICULT, UNLESS MEANINGFUL CONTRIBUTIONS WERE OBTAINED IN THE TROPICAL PRODUCTS GROUP.

3. THAI DEL EXPRESSED APPRECIATION FOR US OFFER BUT CONTINUED TO PRESS ON SEVERAL ITEMS ABSENT FROM THE OFFER (SUGAR TSUS 155.20 AND TOBACCO PRODUCTS). MTN DEL EXPLAINED THEIR LIMITED OFFICIAL USE

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ABSENCE IN A SIMILAR FASHION TO PREVIOUS SESSIONS. THAI DEL MADE THE OBSERVATION THAT IT UNDERSTOOD US POSITION ON TOBACCO BUT THE BILATERAL TRADE BALANCE BETWEEN THE US AND THAILAND ON TOBACCO PRODUCTS SHOULD BE TAKEN INTO ACCOUNT (3MILLION DOLLARS IN EXPORTS TO THE US VERSUS 30 MILLION IN IMPORTS FROM THE US). THAIS EXPRESSED A SIGNIFICANT INTEREST IN SILK PRODUCTS

AND ASKED THAT WE CONSIDER MAKING CONCESSIONS ON TWO PREVIOUSLY UNREQUESTED ITEMS, TSUS 337.20 AND 337.70 . MTN DEL STATED THAT WE WOULD REPORT THEIR INTEREST, OUTLINED CONSTRAINTS INVOLVED IN SUCH LATE REQUESTS, AND OBSERVED THAT, ALTHOUGH US HAD NOT INCLUDED SILK YARNS ON ITS OFFER LIST, THE ITEMS ALREADY REQUESTED BY THAILAND WERE INCLUDED IN US GSP. WITH RESPECT HOWEVER TO THE WOVEN SILK PRODUCTS MTN DEL OFFERED THE PRELIMINARY OBSERVATION THAT THE ITEMS WERE NOT ON GSP AND WERE LIKELY TO BE SOMEWHAT SENSITIVE GIVEN US DOMESTIC PRODUCTION.

4. SEVERAL TECHNICAL QUESTIONS WERE RESPONDED TO DURING THE CONSULTATION. MTN DEL (MALISH) CONFIRMED THAT KENAF FIBER ENTERED IN THE RAW FORM WAS CLASSIFIED UNDER TSUS 304.3240 AS RAW JUTE AND NOTED HIS UNDERSTANDING THAT PROCESSED PRODUCTS OF KENAF WOULD SIMILARLY BE CLASSIFIED IN OTHER JUTE TARIFF HEADINGS. HE INDICATED US TARIFF CLASSIFICATIONS FOR WOVEN SILK FABRICS MADE A DISTINCTION AS TO WHETHER THE PATTERNS WERE WOVEN INTO THE END PRODUCT (JACQUART-FIGURED), BUT NOT AS TO WHETHER COLORED SILK FABRICS WERE SOLID COLORED OR PRINTED. APPROPRIATE TSUS HEADINGS WERE IDENTIFIED FOR OTHER PRODUCTS OF INTEREST TO THE THAIS INCLUDING OYSTER SAUCE, FISH SAUCE, PAPAYA JUICE AND TOMATO JUICE. MTN DEL ALSO PROVIDED TAI WITH THE DISTINCTION BETWEEN THIN AND THICK SOY SAUCE.

5. THAIS ALSO CONTINUED TO PURSUE THE NONTARIFF MEASURE REQUESTS. ALTHOUGH THEY UNDERSTOOD OUR POSITION, THEY NOTED THAT ATTEMPTS TO OBTAIN SPECIFIC INFORMATION FROM THEIR EXPORTERS WITH LIMITED OFFICIAL USE

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RESPECT TO THE HEALTH AND SANITARY REGULATIONS NOTIFIED HAD PROVED IMPOSSIBLE. THEY AGREED TO CONTINUE TO TRY BUT SUMMED UP THEIR REQUEST BY SAYING FDA WAS TOO STRICT. THE THAIS ASKED FOR CLARIFICATION OF US COUNTRY-OF-ORIGIN MARKING REQUIREMENTS WITH RESPECT TO WOOD FLOORING ENTERED UNDER TSUS 202.60. THEY COMPLAINED AT SOME LENGTH THAT EARLIER THIS YEAR AN OFFICIAL OF THE US CUSTOMS SERVICE IN AN EASTERN PORT OF ENTRY OPENED A SHIPMENT OF THAI PARQUET FLOORING AND REQUIRED THAT EVERY PEICE BE STAMPED WITH A MARK OF ORIGIN EVEN THOUGH THE CARTON WAS SO LABELLED. THAI DEL REQUESTED INFORMATION AS TO WHY THIS WAS DONE SINCE APPARENTLY CUSTOMS HAD PREVIOUSLY CONSIDERED MARKING THE CARTON SUFFICIENT.

US DEL PROVIDED A GENERAL EXPLANATION OF US
MARKING REQUIREMENTS, AND GAVE THE THAIS COPIES
OF THE PAGES EXPLAINING MARKING TAKEN FROM

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ACTION STR-04

INFO OCT-01 EA-07 IO-13 ISO-00 STRE-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

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R 301530Z APR 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1449

INFO AMEMBASSY BANGKOK

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ACTION STR

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"EXPORTING TO THE UNITED STATES". THEY WERE ADVISED
TO GET AN OFFICIAL DECISION WITH RESPECT TO THE
PRODUCT IN QUESTION FROM APPROPRIATE CUSTOMS OFFICIALS.

6. PRESENTATION OF U.S. PROPOSED CONTRIBUTIONS - MTN
DEL PRESENTED LIST OF PROPOSED CONTRIBUTIONS THAT U.S.
SEEKS FROM THAILAND TO TP NEGOTIATIONS, STRESSING U.S.
BELIEF THAT PROPOSED CONTRIBUTIONS CONSISTENT WITH
PARA 5 OF THE TOKYO DECLARATION AND WERE SIGNIFICANTLY
LESS IN TRADE VALUE THAN CONCESSIONS U.S. HAD OFFERED.
THAI GENEVA AND BANGKOK DELS GAVE CONFLICTING REACTIONS.
GENEVA DEL BEGAN RESPONSE WITH RHETORICAL LDC POSITION
THAT ADDITIONAL BENEFITS ACCRUING FROM ENTIRE MTN HAD

TO ASSESSED BEFORE LDCS COULD CONTRIBUTE TO THE
NEGOTIATION. THERE ENSUED A DISCUSSION ON SPECIFIC
U.S. REQUESTS DURING WHICH MTN DEL MADE THE POINT
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ABOUT THE DISCRIMINATORY IMPORT TAX APPLIED TO WHEAT
FLOUR, AND REQUESTED CLARIFICATION OF THE APPLICATION
OF THAI IMPORT TAXES TO PARTS FOR AIR CONDITIONERS.
THAIS INDICATED SURPRISE AT REQUEST FOR LATTER
PRODUCT GIVEN "FEDDER" A/C PRODUCTION IN THAILAND, AND
QUESTIONED WHETHER U.S. COULD MARKET POULTRY IN
THAILAND. DISCUSSION ENDED ON UPBEAT NOTE WITH
INGANIVANDA INDICATING HE WOULD DO HIS BEST TO RESPOND
TO U.S. REQUESTS.

7. COMMENT: THERE WAS CLEAR DIVISION OF OPINION
BETWEEN THAI GENEVA AND BANGKOK REPRESENTATIVES
ON SEVERAL QUESTIONS, A RESULT IN OUR VIEW OF
DETAILED ANALYSIS OF THE VALUE OF U.S. OFFER IN
BANGKOK. THAI GENEVA DELS HOWEVER MORE PRONE TO
ADOPT COMMON LDC POSITIONS ALTHOUGH COMPLETELY
AWARE OF HOW THIS MIGHT ADVERSELY AFFECT U.S. OFFER.
REQUEST EMBASSY BANGKOK ASSESSMENT OF AUTHORITY OF
INGANINANDA STATEMENTS.
INGANINANDA TALKS WITH EASE AS TO TECHNICAL
CUSTOMS CLASSIFICATIONS, AND HAS GOOD SENSE OF
HUMOR. MTN DEL HAD HIGH OPINION OF HIS GRASP OF
TRADE MATTERS, AND OBVIOUS ABILITY AS A NEGOTIATOR. WALKER

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